

100 West Randolph Street
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Met, pursuant to notice, at 2:00 p.m.

ANN SCHNEIDER, Co-Chairperson/Secretary
GEORGE RANNEY, Co-Chairman
CAROLE L. BROWN, Member
ROBERT W. GUY, Member
DR. SYLVIA JENKINS, Member
NICK PALMER, Member
TONY PAULASKI, Member
RAUL I. RAYMUNDO, Member
DR. ASHISH SEN, Member
KATHRYN THOLIN, Member

DR. RICHARD MUDGE

1 CO-CHAIRPERSON SCHNEIDER: First of all, happy
2 new year. I've not had a chance to see a lot of
3 folks since before the holidays, so it's good to
4 see that everybody is doing well, and welcome to
5 our first meeting post the new year, and I look
6 forward to a very busy three months in getting
7 something done.

8 Again, I look forward to working together
9 with the Task Force, with Co-Chair Ranney, to come
10 up with our recommendations obviously by the end
11 of March.

12 And on the Governor's behalf, I want to
13 again thank all of you for your continued
14 commitment to this process. I know it's been a
15 very lengthy process and a lot of work but we do
16 appreciate the time and the commitment that you've
17 made to try to help improve public transit in
18 Northeastern Illinois.

19 I also want to thank the members of the
20 public that have come today to listen to our
21 deliberations. I think having public involvement
22 is critical to good decision-making, and knowing
23 that you are all here today and are interested in
24 this topic, I think will only help bolster the

1 conversations that we as the Task Force has. So
2 thank you all for your interest today and for
3 coming, especially braving what I believe has been
4 a little bit of some inclement weather today. So
5 thank you all for coming.

6 So with that, let's go ahead and get
7 started. I will call the roll real quickly.

8 Carole Brown?

9 MS. BROWN: Here.

10 CO-CHAIRPERSON SCHNEIDER: Patrick Fitzgerald
11 has indicated that he will not be here today, so
12 we know that. Yes, he's out of town for business.

13 Robert Guy?

14 MR. GUY: Present.

15 CO-CHAIRPERSON SCHNEIDER: Dr. Adrienne
16 Holloway?

17 (No Response.)

18 Dr. Sylvia Jenkins?

19 DR. JENKINS: Here.

20 CO-CHAIRPERSON SCHNEIDER: Nick Palmer?

21 MR. PALMER: Here.

22 CO-CHAIRPERSON SCHNEIDER: Tony Paulauski?

23 MR. PAULAUSKI: Here.

24 CO-CHAIRPERSON SCHNEIDER: Raul Raymundo?

1 MR. RAYMUNDO: Here.

2 CO-CHAIRPERSON SCHNEIDER: Bob Reiter?

3 (No Response.)

4 Dr. Ashish Sen?

5 DR. SEN: Here.

6 CO-CHAIRPERSON SCHNEIDER: Don Tantillo?

7 (No Response.)

8 I think Don was having issues with a
9 flight. So he may or may not be here.

10 Kathryn Tholin?

11 MS. THOLIN: Here.

12 CO-CHAIRPERSON SCHNEIDER: Sonia Walwyn?

13 (No Response.)

14 And then George and myself, we are both
15 here.

16 With that, we do have a court reporter
17 today, as we have had in the past, and so for
18 their benefit as well as for the folks sitting in
19 the audience, make sure that you provide your name
20 each time you speak and then also, if possible, if
21 you don't have a microphone nearby, that you speak
22 up so everybody can hear what you are saying. We
23 did arrange for some microphones this time. I
24 think we had some competition with the "L" last

1 time and we wanted to make sure that everybody
2 could be heard.

3 Also for members of the public that have
4 joined us today, we are providing for public
5 comments and we want to make sure that your voice
6 is heard in this process. So we have a number of
7 options for you. You again are welcome to speak
8 during the public comment portion of our agenda
9 today later on. You can also provide written
10 comments using comment cards available at the
11 sign-in table over here, or you can use the laptop
12 in the room that we are providing to provide
13 written comments on. Do we have the laptop set
14 up? Yes, the laptop is over here.

15 Also, we have palm cards as you came in,
16 you can either have one picked up as you enter the
17 room or as you exit the room, that provides the
18 web address where you can also go to provide
19 written comments and access any of the materials
20 related to the deliberations of the Task Force
21 up-to-date. The website also includes past
22 scheduled meetings and hearings, and past meeting
23 materials.

24 In fact, I do want to make an

1 announcement, we are going to be discussing a
2 technical memorandum today and that can also be
3 found at the website.

4 The next item on the agenda is approval
5 of meeting minutes. We have not prepared a
6 complete summary of our December 12th meeting at
7 this point and so we will move to vote on that at
8 our next meeting, which is scheduled for
9 January 27th.

10 With that, I think what we'd like to do
11 is jump in. We were expecting Senator Daniel Biss
12 to come and talk a little bit about his paper, but
13 I do not see the senator here right now, so we are
14 just going to continue with our agenda.

15 I do want to say this, given the new year
16 here, it's a good time to reflect and think about
17 what we've done to-date. I think the Task Force
18 has done a lot of work, collected a lot of
19 information, we've held public and working group
20 meetings, we've received testimony from various
21 transit officials and professionals from across
22 the country, we talked and heard input and
23 recommendations from our authorities, and also
24 just collected a wealth of information about our

1 own transit system here in Northeastern Illinois.
2 All of this has given us a good and collective
3 understanding of the challenges that we are facing
4 and how other transit systems operate and thrive.

5 As a capstone to all of our efforts, we
6 have asked a consulting team, which is very
7 knowledgeable in the transit industry, and in fact
8 had talked to us previously after they prepared a
9 memo for the RTA -- or done a report for the RTA,
10 they also prepared a report for us. So as a
11 capstone of the efforts of that conversation we
12 started with Delcan, the group that did provide
13 the technical memorandum, we asked them to develop
14 that memorandum so that we could provide
15 background material for the Task Force.

16 You received the documents I think
17 Saturday sometime. I want to personally apologize
18 to all of you for the lateness of getting that
19 delivered to you. Because of last week's
20 inclement weather, I was unable to completely
21 focus on that effort and I bear the responsibility
22 for the lateness of that getting out, and I
23 apologize for that, but hopefully over the weekend
24 and yesterday you had time to take a look at it.

1 We are going to get a deeper presentation
2 on what was contained in that. Generally, it
3 summarizes the transit conditions in transit
4 throughout Northeastern Illinois and other major
5 metropolitan regions. It provides data and
6 information on public transit practices,
7 financing, funding, government structures, and
8 ethical procedures, all of the things that we are
9 considering.

10 I want to be very clear to everybody on
11 the Task Force that this information is intended
12 as background only. The document is not meant to
13 provide specific recommendations or to fulfill the
14 requirement of a final report that we are going to
15 submit. As you know, the Task Force is solely
16 responsible for developing those recommendations
17 and for improving our transit system.

18 So I hope that the information that's
19 included in the technical memorandum that was
20 prepared is helpful in your consideration about a
21 path forward. I think that from my perspective,
22 I've read it a few times already, I think it's
23 going to be extremely beneficial to have that
24 background material, to have the conversations

1 that we need to have about recommendations on
2 making Northeastern Illinois public transit
3 world-class as we've talked about in the past.

4 With that, I would go ahead at this point
5 and would like to turn it over to Co-Chair Ranney
6 for his comments and further discussion.

7 CO-CHAIRPERSON RANNEY: Well, I should say I
8 agree with everything Ann has said except for one
9 thing, and that is that I don't think she owes us
10 all an apology for not having gotten the report
11 under the circumstances of the weather. I am glad
12 she was working full-time in getting the roads
13 going and various transportation systems in the
14 state. So, thank you. No apologies needed.

15 I know she did read the report very
16 carefully because we talked about it on Saturday
17 before it was released, and we are in complete
18 agreement that one thing that this Task Force must
19 do is master the accurate data and the underlying
20 technical analysis before it submits a set of
21 recommendations, and to do that it's critical that
22 we turn to the people who have expertise in the
23 field and that's what we are going to hear today.

24 That's why we have this technical

1 memorandum, along with recommendations will be
2 made in part. So it's really important if you
3 disagree or have concerns or questions about
4 aspects of this memorandum, get them out to
5 Dr. Mudge right away. It was prepared by a
6 consulting firm team led by Delcan Corporation
7 with others involved, the firm Transportation
8 Solutions, the Center of Transportation, and they
9 have national experience between them.

10 What Dr. Mudge is going to do is provide
11 not a real summary but an overview and guidance to
12 the memorandum so you will be able to know.
13 There's so much information. So he will be
14 guiding the Task Force members for this content.
15 He also said on that score that he would welcome
16 interruptions as he presents.

17 Am I correct on that?

18 DR. MUDGE: I am used to getting them. I get
19 them at home.

20 CO-CHAIRPERSON RANNEY: So you are on. Let me
21 tell you that you will get them from this group.

22 I am really pleased that we have this
23 document to that extent, and I share a view that
24 it provides kind of thoughtful information,

1 accurate data that will be the basis for the
2 recommendation.

3 So remember, today's discussion is to try
4 to ensure that everybody here understands that the
5 contents of the technical memorandum is not about
6 identifying recommendations, but the Delcan Group
7 will be available to us as we go forward to help
8 us answer questions as we proceed in making our
9 recommendations.

10 Before I ask Dr. Mudge to speak, is there
11 any questions from the group?

12 (No Response.)

13 Okay, it's yours.

14 DR. MUDGE: Okay. As Mr. Ranney said, this is
15 a memo which has an interesting title. This is
16 meant to be background, certainly not everything
17 that you ever wanted to know to make all your
18 decisions, because it is background. If you have
19 questions or comments or additional information
20 that should be added or supplemented in some way,
21 that's part of what's stimulated by this document.

22 I am not going to give a summary, I am
23 going to give a sense maybe, a guide, I am going
24 to talk about some of the highlights, but the

1 whole document is 92 pages and the last thing I
2 want to do is summarize 92 pages.

3 Let me also state as background, there's
4 a fair amount, looking at what's happening outside
5 this region, of case study examples. These are
6 meant to provide useful inputs. I am not going to
7 expect any of these things to be an example of
8 what Chicago should do.

9 If you look on Page 3, I will talk about
10 that a little bit. We've got four major sections
11 in the report. One on system performance, one on
12 finance, one on governance, and one on ethics. In
13 collecting the information for that item, the
14 secondary source is largely the literature, the
15 studies that have been done, and we did a few
16 selected interviews in a couple of places that I
17 will mention where we did the interviews on.

18 The idea here is to focus on things that
19 are key dimensions of a successful transit system.
20 In thinking about it, though, you have to remember
21 these are not standalone issues. If you want to
22 have an effective system performance, that depends
23 on good governance management structure, it
24 depends on finance, having adequate resources.

1 You can't separate that out. Finance, in turn,
2 depends on the governance and the ethical system,
3 that the public trusts providing money to, and
4 that in turn can add to system performance.
5 Governance also has a direct link to ethics, as
6 well as adequate finance, you have to have good
7 governance. If you don't have the adequate
8 resources, you are going to have a hard time
9 achieving all of your goals. And the ethics
10 depends on what the governance structure is.

11 Looking at general observations, some of
12 this stuff almost sounds like this condescends,
13 but it is based on the view of existing
14 literature, looking at other case studies.
15 Success depends on there being regional goals, and
16 the regional goals are different than the
17 operating goals of any given agency.

18 If you think about them, you want to be
19 thinking about them in terms of overall strategy.
20 That's important, because goals by themselves mean
21 very little, you need to have a strategy to
22 implement them. That process obviously needs to
23 be something that's open. It should be
24 transparent. It's targeted. It needs to be

1 focused on results.

2 Again, another key lesson you learn when
3 you look around the rest of the world and you look
4 at what other agencies are doing is success comes
5 when you have a focus on customers. Think about
6 the people who are using transit, these are
7 customers, and you have to be able to respond to
8 what their needs are, especially if you want to go
9 out and expand service and do things like add
10 taxes or add fares, you need to be able to respond
11 to what the customers want.

12 We did more detailed case studies of four
13 metropolitan areas and the major conclusion that
14 comes out of that is there's a clear, general,
15 good overall benefit of having consolidation.
16 Each of these places that you've looked at have
17 done it differently. So we are not seeing any of
18 them alone for Chicago.

19 State involvement certainly can be
20 helpful, in terms of finance, in terms of
21 governance, having clear goals for all these
22 agencies is also important. It's not just having
23 boxes on a piece of paper but you want to be able
24 to have overall clear regional objectives that

1 come out of that.

2 Five, I start to have a number of charts
3 which are meant to be just a sample of what's in
4 the report as providing background on the trend
5 within the region.

6 This one looks at something called
7 Unlinked Trips. A true trip on transit is a
8 linked trip. You may go from one mode to another,
9 one transit operating to another. Ideally what
10 you would like to have is where did you start,
11 where did you end up. The way the current data
12 systems are, you don't have that, you have how
13 much you travel on the bus line, you travel on the
14 rail line. So the actual total number of trips is
15 less than this. The Ventra system will be
16 providing the data you need. Right now for CTA,
17 for Pace to have link trips, if you really want to
18 manage this system properly, you need to know what
19 the whole length of the trip is, but right now
20 this is looking at unlinked trips. That's all
21 there is historically.

22 What the graph shows is the percentage
23 increase, percentage change since 1981 to 2012, so
24 it's looking at the last 30 years. You can see

1 for the first, you know, 15 years of that the
2 transit ridership jumped, except for Pace.
3 There's growth since then. You have to look at
4 the red Line, the CTA bus, the top pink line, the
5 CTA rail, you have to look at those together, and
6 there's a combination of this line, the CTA total,
7 which is light green, but there are things that
8 have been happening there and within combination.
9 So again, there's 15 years of down time and down
10 period, in the last 10 or 15 years there's been
11 growth.

12 CO-CHAIRPERSON SCHNEIDER: Dr. Mudge, just a
13 technical question as it relates to this chart,
14 and I think I remember reading this in the report.
15 Wasn't there a change in methodology in terms of
16 trips --

17 DR. MUDGE: Yes.

18 CO-CHAIRPERSON SCHNEIDER: -- at some point in
19 time on this timeline?

20 DR. MUDGE: Yes. CTA changed how they
21 accounted for trips and that would have been in
22 the late 1990s. So it's not completely apples to
23 apples. I don't think -- I think the fundamental
24 transit problem is incorrect, the specific numbers

1 are not quite right there.

2 As I said before, the biggest issue is
3 also some of the quality of the overall data
4 that's there when you are counting every single
5 trip, and that's where something like the Ventra
6 system will help, it will be better when you have
7 Metra as part of that as well.

8 Speaking of Metra, the next chart, 6, a
9 little bit out of order, but it compares changes
10 from Metra, which is the black line at the bottom,
11 with the growth of commuter rails from other
12 cities, and we picked up other major metropolitan
13 areas. Boston, and New Jersey, and Philadelphia
14 have done quite well with commuter rail. It's not
15 that Metra hasn't grown, but it hasn't grown quite
16 as fast.

17 CO-CHAIRPERSON SCHNEIDER: Is there anything
18 that would be driving that? I mean you look at
19 this and you see that Boston has significant
20 increases there in the late '90s and then it kind
21 of stabilizes after that, and then New Jersey
22 Transit jumps in the early 2000s. Is there
23 anything that we can attribute that to?

24 DR. MUDGE: Some of it is Boston has added --

1 did add some lines, did add some commuter lines.

2 And the other thing that happens, too, if
3 you have places that are comparable to, Metra has
4 had a couple of fare increases in the last ten
5 years, so that obviously raises the price of your
6 product. So that adds up, which places raise
7 fares more than others.

8 So I know a lot depends on the overall
9 service that you are providing, too. If you
10 provide more, if you are then able to have higher
11 frequency, which obviously costs money, you get
12 more passengers.

13 DR. SEN: Do you have some relationships
14 between Ventra and ridership, any kind of
15 operating capital? Whatever? I think that might
16 be interesting.

17 DR. MUDGE: We can look at that. The issue is
18 I am not sure if Ventra by itself does it because
19 if you look at capital, there's a large time lag,
20 when you spend it, when you have service. There
21 is some data that we have that looks at the volume
22 of service, how many hours of train service do you
23 provide, how many loop miles do you provide, and
24 that's something that's more important, and doing

1 that costs money.

2 I think if you look at the inputs and the
3 service as measured in loop miles, vehicle hours
4 of travel, vehicle miles of travel, that is where
5 the link is.

6 DR. SEN: Generally, it would be interesting
7 to see money goes back to all of it, NTD has all
8 the data.

9 DR. MUDGE: They have a lot of it, but I think
10 the capital stuff is interesting because you are
11 adding new capacity.

12 DR. SEN: When it comes online we can look at
13 that.

14 DR. MUDGE: Yes.

15 DR. SEN: I don't mean to monopolize it.

16 DR. MUDGE: No, no, that's an important issue
17 because there's other information out there.

18 You look in general, Chicago has added
19 less rail capacity than many other cities. Since
20 1975 Chicago has added maybe 20 miles of new rail
21 capacity, whereas a lot of these other cities, you
22 know, Boston being one, and Washington, D.C. being
23 another one, they've added a fair amount of mile
24 capacity.

1 MS. THOLIN: Besides, too, I think this
2 conversation is really important to say what's
3 behind this graph, and you have -- a few of the
4 building blocks are actually I think in some of
5 the other work a technical memo. If we have a way
6 of, you know, better linking some of those
7 puzzle-type factors with the end result of
8 ridership, that would be extremely helpful. What
9 I do take is there's a story behind every one of
10 these graphs, right, in each city?

11 DR. MUDGE: The one that we've not done, if
12 you want us to do them, figure out which is most
13 important, we can certainly annotate some of
14 these. This big jump happened because of
15 what happened, and those little lines will help.

16 The next chart on Page 7, this chart
17 looks at the share -- transit share of overall
18 commuting trips. So if you have a zero change,
19 which you look at the first nine cities that are
20 there, there's been very little growth. You know,
21 that's not a bad thing. That means that transit
22 is maintaining its share of commuters. So as the
23 overall economy grows, transit will grow as well.
24 You see a couple of cities, Boston and Washington,

1 D.C., increased their share. There's seven cities
2 on the right-hand side which have lost share since
3 1980, and there's a story in each one of them, but
4 when you look at this, you say, okay, some cities
5 have had --

6 MS. BROWN: The same question would be meant
7 to have the background information forming this
8 chart because if you look at a city like
9 Los Angeles, which had very little, really,
10 reliable transit service in 1980 and had major,
11 major capital investments in their transit system
12 since 1980, to have almost -- it had a negligible
13 effect on the percentage of the commute I think is
14 telling. And so to know kind of what's informing
15 this chart and what kind of macro factors
16 influence these markets would be helpful.

17 DR. MUDGE: The background in this, from 1980
18 to mid 1990s, general transit lost ridership. So
19 being able to hold your own is very positive. But
20 you are right, Los Angeles has added a lot of
21 transit capacity, San Diego has in that period,
22 Miami has, Houston has, Seattle is starting to,
23 Phoenix has added, Washington, D.C., has. So it
24 probably would be more helpful. Dallas has added

1 capacity, too, and it still has lost shares.

2 CO-CHAIRPERSON SCHNEIDER: And I think part of
3 that, an important part to dovetail off of that
4 would be to understand if it was targeted -- if
5 the capacity was targeted, is they were trying to
6 target the commuters or if it was just -- I know
7 there has to be some planning behind that, but
8 maybe they missed the market.

9 MS. BROWN: And if this is an important
10 measure or what we are trying to capture from this
11 measure, but as I am sitting here looking at it, I
12 was just thinking, and also along this line, you
13 know, we did open road tolling and that put people
14 back in their cars, did that influence kind of the
15 use of transit? So it would be interesting to
16 know kind of a little bit more background on what
17 is happening.

18 DR. MUDGE: I don't think that would be that
19 hard to do. Part of it is again, some places like
20 Dallas has added capacity, and maybe just because
21 you add a transit line doesn't mean it's going to
22 be a success.

23 CO-CHAIRPERSON SCHNEIDER: Right.

24 DR. MUDGE: But I think putting some of that

1 is obviously a key issue going forward, is how
2 much more capacity does Chicago need and we need.

3 The next chart on Page 8 is looking at
4 total transit ridership in the region. And
5 obviously you look at a very extreme drop from
6 1980 to 1996, especially the first drop in the
7 early years of 1982, major recession.

8 It's interesting, the most recent
9 recession, 2008-2010, there's a drop, it's nowhere
10 near as dramatic.

11 Then in this chart, there's a little
12 valley there in 1996, overall transit ridership
13 has grown by 25 percent, but this is just a new
14 background of the overall trend.

15 The next chart on Page 9, it gets a
16 little bit at the region in terms of supply of
17 service. I think you may want to look at some of
18 these other cities. If you look at the vehicle
19 revenue miles, vehicle revenue hours is another
20 one, that's approximately for both the cost of the
21 service, it's also approximately for the volume of
22 the service that's being provided to the different
23 regions. If you look at it from 1991 to 2012,
24 overall there's been a very small growth in total

1 revenue, 1.9 percent change.

2 Now, there are big differences within
3 each of these areas. CTA bus service has been cut
4 back. CTA rail service has grown. Metra has
5 added a lot of capacity from '91 to 2012. The
6 most recent years, 2005 to 2012, there's been a
7 decrease in overall service.

8 DR. SEN: Why did you pick '91? The comp is
9 '96. That would make some -- I can understand
10 that. But why '91? Twenty years, is that it?

11 DR. MUDGE: It's roughly 20 years. You can
12 pick -- if you go back to 1980, the numbers will
13 look even worse. If you pick '96, you can pick --
14 if you want, you can look at the numbers from '95
15 to '96, you can see what the changes are, and
16 certainly there will be an even bigger increase in
17 the service level of CTA rail, still have the
18 same, you know, same decrease in CTA bus, you
19 know. It was not -- it's not hard to look and
20 pick another year, it was just rounding the 20.

21 The interesting thing is the total number
22 of revenue miles is down. The total number of
23 revenue hours is down since 2005. Part of that is
24 the recession. Despite that, overall transit

1 ridership is up.

2 One of the big factors in terms of both
3 cost and service is the paratransit service. This
4 is operated by Pace. That part is the fastest
5 growing aspect both in terms of percentage growth
6 of passengers as well as cost. Since 2010 it's up
7 by almost a third and that has a lot to do,
8 obviously, with people like me who are getting
9 older, but it is something that has important
10 financial impact because in a sense this is paid
11 almost off the top, you have to pay for this,
12 there's low fare back recovery from it, and it's
13 something that's worthwhile looking at and
14 figuring out a better way to provide the service.

15 CO-CHAIRPERSON SCHNEIDER: Do you think that's
16 a trend, I don't know that you guys do
17 forecasting, but do you think that's a trend that
18 will continue at that same rate of growth or do
19 you think that rate of growth will somehow level
20 off?

21 DR. MUDGE: I don't think it's going to level
22 off. I think it's a one-third increase. A lot of
23 it is probably because Pace is doing a better job
24 of this. I know RTA is active in doing a better

1 job. RTA is involved in taking phone calls from
2 people and then arranging service. So I think the
3 quality of the service has jumped up. I suspect
4 this will be the fastest growing part of the
5 transit service for awhile, just because the
6 population is not going to changes. The one-third
7 jump right now I can't honestly say will continue,
8 but I would suspect this would be the fastest
9 growing part.

10 If you look at the average over a longer
11 period of time, you are looking at eight to 10
12 percent a year growth.

13 DR. SEN: What does the unit cost of a
14 paratransit trip? Is it about \$30?

15 DR. MUDGE: It's quite high. It's very
16 personalized, the way they operate.

17 Now, I don't want to get into the weeds
18 of this but there are people who talk about how --
19 different ways that you can provide it. A lot of
20 what I think Pace is trying to do is trying to get
21 more of the people who are on those services as
22 part of the main line buses, a lot of the buses
23 can handle wheelchairs and so forth, and you can
24 get people who are not just on paratransit, which

1 is very expensive, but get them so that their
2 travel is on the main line. It is very expensive
3 per trip.

4 MS. BROWN: Is this trend consistent
5 nationally?

6 DR. MUDGE: Yes.

7 MS. BROWN: So the same growth you see in most
8 markets?

9 DR. MUDGE: Yes. Chicago is not the only
10 place that people are getting older.

11 MS. THOLIN: Can I just go back for a second
12 to the previous page and ask you quickly, on the
13 service reduction, that last column, 2005-2012, do
14 we know how these other agencies around the
15 country compare as far as service levels?

16 DR. MUDGE: I think most of them is not quite
17 as sharp as that, especially during the recession,
18 2008, 2009, 2010, everybody cut back.

19 MS. THOLIN: Possibly we cut back more than
20 some of our peers?

21 DR. MUDGE: We may not have bounced back from
22 that. The ridership is coming back.

23 MS. THOLIN: I am looking at service.

24 DR. MUDGE: Yes, if you look at other numbers

1 in there, there's another chart, which I don't
2 think is in the main report, which looks at low
3 factor, how many people there are per vehicle, and
4 you look in the region, there's a big jump up the
5 last two, three, four years. That's partly --
6 that transit ridership has come back up. The
7 level of service has not. So there are more
8 people per vehicle. So the load factor has
9 improved a lot.

10 The next chart on Page 11, again it's got
11 a lot of numbers and a lot of lines on it, which I
12 don't apologize for because I like numbers, but
13 this is looking at cost across a dozen or so
14 different cities.

15 The blue little bars are the cost per
16 trip, and on that basis Chicago is the lowest.
17 The green lines are the cost per revenue hour, and
18 Chicago is the lowest. Cost per revenue mile on
19 the red line. But if you look at this in general,
20 Chicago is a very cost-efficient system compared
21 to these other ones. There's a story around each
22 one of them.

23 The story in Chicago I think is that part
24 of this is good management, good asset management

1 of equipment. Part of it is because of cuts in
2 service. I think what CTA has done on the bus
3 side is they've looked at bus routes that were
4 less productive, had fewer travelers on them. So
5 it's a part driven by (inaudible), it's not their
6 first choice. So they've cut back some of the bus
7 routes. That's one reason to look at the overall
8 trends. Trends on traffic CTA bus is down, CTA
9 rail is up. There's effort to get people to
10 switch to rail, because it can be more cost
11 effective.

12 CO-CHAIRPERSON RANNEY: Does this include
13 other than CTA or is this just CTA?

14 DR. MUDGE: It should include Metra as well.
15 Metra is very low cost, if you look at Metra alone
16 compared with other commuter rail systems. The
17 same thing, the cost per vehicle hour.

18 I think part of that, also, is you can
19 argue maybe they should be doing more peak
20 service, more kind of flow service. So again,
21 there's a flip side to this. Being an ex-budget
22 guy, having low cost, sometimes there's a flip
23 side to it and the service -- extent of service
24 may also be lower. Those are the trade-offs you

1 have to make.

2 MS. THOLIN: So what I am trying to figure out
3 as I look at this graph, what kind of information
4 helps me understand that trade-off and whether I
5 should be excited about this chart as a positive
6 thing, you know --

7 CO-CHAIRPERSON SCHNEIDER: Or worried.

8 MS. THOLIN: -- or worried.

9 So what are the metrics that we should be
10 countering on this same chart, you know, that
11 helps us to say what should I take from this
12 number?

13 DR. MUDGE: I think you want to look at that
14 and say -- I would not say this is a bad thing,
15 but at the same time you have to say, okay, there
16 are trade-offs, which I will talk a little bit
17 later about. Overall access to get to jobs and
18 the transit could do a better job than that, and
19 doing that it's going to cost more money and these
20 numbers will go up, and that's a trade-off.

21 Now, again, what this says is there's
22 generally a good many people are watching their
23 nickels and dimes, especially with CTA, and I
24 guess Metra as well, and that's a good thing, but

1 to be this low we have to say, okay, if we want to
2 provide higher quality service, if it's going to
3 help them access -- the labor access the jobs with
4 a good economy, you have to say how much more are
5 we willing to pay for this? I would say this is
6 positive. If you look at the other ones and say
7 that's bad, I can make the trade-off.

8 MS. THOLIN: It is interesting that we are the
9 best on this one, right, we're the best, but if
10 you look at the ridership charts and we were the
11 worst on all of them, how much our ridership has
12 grown.

13 DR. MUDGE: Again, it's a response to have
14 limited resources and try to live within their
15 budget.

16 DR. SEN: This is the entire Chicago system
17 including Pace?

18 DR. MUDGE: I believe that includes Pace. I
19 will double-check it. I believe it includes
20 everything.

21 DR. SEN: Including paratransit?

22 MS. BROWN: No, it probably wouldn't.

23 DR. MUDGE: Even though paratransit is growing
24 real fast, it's still a small percentage.

1 MS. BROWN: I don't think paratransit is in
2 there when it's usually cost per ride.

3 DR. MUDGE: But it's still a small fraction.

4 MS. BROWN: But that's the whole problem
5 with -- that is one of the factors that all the
6 transit agencies are dealing with in terms of the
7 cost per trip. Cost of paratransit trip is going
8 to be 28 to \$35 per trip. So it can't -- I would
9 be surprised if it were involved in this.

10 DR. MUDGE: I will double-check. I know we
11 looked at Metra separately and they are also very,
12 very low.

13 The next chart on Page 12 looks at again
14 trips for different metropolitan areas, and we
15 talked before about some of them, New York has
16 done very, very well in terms of the percentage
17 growth.

18 Now, actually, we should take a look at,
19 to get back to Dr. Sen's comment about what would
20 happen from 1991, maybe that was a really bad year
21 for New York, so we should test them, it can be
22 arbitrary.

23 The next chart on Page 13, this is an odd
24 mix, it looks at the rides per capita, and you

1 look at the bars on -- the six bars from the left,
2 those are all from international cities and they
3 really should not be compared directly, different
4 culture, different density, much larger network.

5 If you look at the other cities from
6 New York on the right, this includes some Canadian
7 cities, it gives you a sense of the relative
8 transit intensiveness of the different cities.
9 You know, part of this is what's a natural level
10 of transit into these cities? New York is always
11 going to be different with its history.

12 So I don't want to make too much out of
13 this, but Chicago has 25 trips per hundred per
14 day, and that's 12 and-a-half round trips, so
15 that's one out of eight people.

16 I am not sure what the right number is
17 that shows, there's some cities that have more,
18 some cities that have less.

19 Page 14 gets at some of the other issues
20 that are more important. Most of the performance
21 data we have looks at things that are output
22 levels, you know, how many people are using it,
23 what the cost of it is.

24 I think it's important about why do you

1 care about that, why do you care about
2 transportation in general? And a lot of it is,
3 you know, I am biased because a lot of it is about
4 economics, being able to have access to labor, as
5 well as access to jobs. Transit is certainly a
6 key part of that. This chart comes from CNT and
7 looks at, you know, the 15 largest job
8 concentrations in 2008. And you look, there are a
9 couple of big ones in red circles that are very
10 much highway-oriented transit service to them, and
11 that's a major problem.

12 Some of the numbers, there are charts in
13 the report that look at -- compare overall access
14 ability in the NEIL region of transit, and in a
15 sense it's good because 80 percent of the
16 people -- 80 percent of the jobs have access to
17 some transit but the quality of it is not good.
18 So within 90 minutes you only have the job access
19 to 23 percent of the population.

20 So the extent of the network is not bad,
21 the overall connections are not good. That 23
22 percent number is quite low in terms of access to
23 jobs in 90 minutes, and part of it is there's a
24 lot of this suburban road which is not taking

1 place on the rail lines, it's outside the net, and
2 those are things to think about if you want to
3 have a transit system that has a stronger
4 connection overall.

5 Getting a little bit ahead on Page 15,
6 one thing we did, we talked a bit in the report
7 about people's perception of the transit, one
8 thing we did was we talked to a number of business
9 recruiter firms that are involved in helping firms
10 decide where to locate. We asked them,
11 transportation is part of that, what factors are
12 important. This chart lists all of the ones that
13 are most important when considering transit.
14 Certainly, reliability, frequency, few transfers,
15 convenience, you know, clean, friendly, customer
16 safe. I don't think there's any big shock there.

17 When they look at these general in a
18 little more detail in the report, transit in the
19 Chicago region does not come up well on these.
20 When we did these interviews, and we interviewed
21 about a half a dozen people, they said when a firm
22 decides not to locate in the Chicago metropolitan
23 area, it's not because of transit, number one.
24 The transit may be in the top three issues. So

1 when they are deciding not to locate, transit is
2 part of that.

3 Again, one thing we have not done and we
4 probably should do is ask them about other cities
5 where transit would be a plus. We mainly focused
6 on Chicago.

7 But again, that comes back to the point I
8 made before in the previous chart, key issue here
9 is the quality of the access to the jobs in labor.

10 MS. THOLIN: When you did this research did you
11 get into any demographic issues, like, I don't
12 know, firms that have relatively young staff?
13 There's been a lot of, you knows, talk about
14 people want to -- younger people want to be closer
15 to transit, it becomes more of a -- for different
16 types of jobs or different types of profiles of
17 employees, did you get into any of that?

18 DR. MUDGE: Not directly. We weren't asked
19 what types of firms we were working for. This is
20 stuff that's pretty much done off the record,
21 telling us things that they don't want other
22 people to know. One thing, they do prefer places
23 where you have a typical commute of maybe less
24 than 30 minutes.

1 They did point out that Chicago obviously
2 has some world-class universities, but they
3 thought in general transit access to them was not
4 great, and those are places where they want to
5 recruit as well. So that was one specific thing.

6 MS. BROWN: So how much of that is -- because
7 you mention in your report that it was kind of an
8 anecdotal non-scientific survey. So how much of
9 that in talking to the recruiters was just
10 perception? Because there is actually really good
11 access, for example, to Northwestern for transit.
12 And so is it a matter of, well, then once you
13 explained it to them, they would understand that
14 you can get to the universities, or was it all
15 kind of -- was it fact based or was it
16 just perception?

17 DR. MUDGE: It's very much their perception of
18 it.

19 MS. BROWN: Okay.

20 DR. MUDGE: The thing I think is fact based is
21 when they say that within the top three reasons
22 why they decided not to locate in Chicago, transit
23 is part of that. Again, we should probably flip
24 it around and say, okay, what if they did decide

1 to locate here, they may also say that in terms --

2 MS. BROWN: Like what percentage of firms did
3 they cover? Like are you talking the top six? Do
4 you know what I am saying?

5 DR. MUDGE: These are half a dozen and they
6 are very active, they focus on the Midwest.

7 What it does say is going forward you
8 want to start getting the message out to these
9 types of firms and saying here's where the quality
10 is, because some of this perception is not -- they
11 do look at average commute in terms of travel
12 times, that's based on numbers of what the
13 perception was, particularly off-peak travel to
14 the universities. I don't want to make more --

15 MS. BROWN: No, I was just curious.

16 DR. MUDGE. -- I don't want to make more out
17 of that.

18 MR. GUY: Are these factors listed in order of
19 what their concerns were, reliability was their
20 biggest concern and frequency was number two?

21 DR. MUDGE: I believe so, yes. I could
22 double-check, but I think it is listed in order.

23 MR. GUY: So it would be safe to say frequency
24 is a very high concern on their list?

1 DR. MUDGE: Yes, frequency, which for some
2 reason is not clear to me, they seemed to think
3 that off-peak may be partly. Some of these firms,
4 people are not necessarily working 9:00 to 5:00 --

5 MR. GUY: Absolutely.

6 DR. MUDGE: -- and they may be, you know,
7 staffing may be getting off at 8:00 or 9:00 or
8 10:00, and so it's quality of service that's
9 important. They did talk about off-peak.

10 Now, we've written up a couple of pages
11 in the memo, we've got more material that we can
12 probably expand on that.

13 Page 16 talks about state of repair, and
14 there's another chart right after this, which is
15 useful, which looks at the important part of state
16 of repair which is usually the age of the
17 equipment.

18 Again, a lot of these studies state good
19 repair of the comparable ones (inaudible), which
20 tend to be done based on engineering standards,
21 and my personal opinion is that tends to get
22 numbers that are probably higher than what you
23 have to do.

24 For example, the standard way these are

1 done, they look at FTA at something called minimum
2 life for vehicles, for buses, and rail-to-rail,
3 railcars. A lot of places nationwide, less than
4 Chicago, a lot of places look at that as the
5 maximum, and when it gets to be that age they want
6 to have things replaced.

7 So I think in general, the state of good
8 repair numbers is probably a little on the high
9 side and that's not the same, it's probably low, I
10 should say definitely low because state of good
11 repair doesn't state anything about expanded
12 capacity. So the overall if you include what you
13 want to have, to be able to have frequency of
14 service and new lines, that's been more than
15 offset in the -- I believe more offset in the
16 issue than the state of repair may tend to be high
17 numbers.

18 If you look at Page 17, that shows for
19 each of the properties the age of the buses and
20 railcars, and the fractions beyond useful life.
21 And basically the buses are in good shape, they
22 are young -- relatively young compared to other
23 cities. The railcars are not, both for CTA rail
24 as well as Metra.

1 CO-CHAIRPERSON RANNEY: Is there a reason for
2 that? Are railcars built more solidly and last
3 longer?

4 DR. MUDGE: All these things last longer. I
5 mean a bus can last 15 to 18 years if it's managed
6 property, half a million miles. You can get it
7 closer to a million miles if you manage it right.
8 The same thing with railcars. So you are
9 comparing it with a standard that probably is not
10 the way for a good manager to operate.

11 So part of that is these things are
12 probably slow within their economic life, but a
13 lot of it is, and it may be easier to get federal
14 money to buy buses, too, it could be less
15 expensive.

16 MS. BROWN: So longer lead time for railcars
17 as well?

18 DR. MUDGE: Yes.

19 MS. BROWN: Especially for CTA railcars,
20 because they just started taking delivery on new
21 railcars and that's why you are seeing actually
22 the average age is worse a few years ago.

23 CO-CHAIRPERSON SCHNEIDER: That's what I am
24 curious about because I know for CTA and Metra

1 there's been significant recent investments in new
2 railcars. So I am just curious, I know it's RTA,
3 but is this as of the end of 2012?

4 DR. MUDGE: We can check and see if RTA may
5 have the numbers, CTA and Metra as well, what it
6 will be in 2014.

7 CO-CHAIRPERSON SCHNEIDER: Not that that
8 changes the story, but I think there has been some
9 major developments in that.

10 DR. MUDGE: Those purchases, especially
11 railcars, happened, it's a big change.

12 CO-CHAIRPERSON RANNEY: How much of an
13 outliner are you in your views on this?

14 DR. MUDGE: Within the transit community, I'm
15 probably an outliner within -- would be an
16 economist, I am probably not.

17 I am not saying that -- and this is not
18 an issue just about transit, a lot of people
19 criticize the needs study done on the highway
20 side. They are there, in my personal opinions.

21 Again, because you are looking at things
22 in terms of getting them up to a good standard,
23 and these are needs, you don't -- you can
24 sometimes stretch things a little further. But

1 again, the biggest criticism I have of this study,
2 state of good repair, is that it ignores places
3 you need to add capacity.

4 I assume you don't want to have vehicles
5 that are unsafe, you have to take care of that
6 first. But if you really need to have expanded
7 capacity, whether it's more vehicles, you can have
8 greater frequencies of service or expand the
9 network, those numbers are not in this and those
10 numbers can be very large. We haven't done a
11 study of that and we are not likely to do that in
12 this project, but I expect the overall total
13 number would be higher than the number of state of
14 good repair numbers.

15 Page 18 gets to start talking about
16 finance. And again, this looks at properties in
17 North America which look at -- let's start looking
18 at different colors. For example, red is the
19 amount of state money that comes in. This shows
20 the sources of the money that come in and costs
21 for transit. Red is state money. Philadelphia
22 depends on that heavily. Chicago is number two in
23 terms of the amount of money that comes from the
24 state compared to these other places.

1 Green is dedicated taxes. There's a
2 common theme there. Most of these places have
3 some dedicated taxes, that's obviously very
4 important in Chicago. But in general, you look at
5 this and you stay there's no common pattern,
6 there's no fixed model, there's a lot of different
7 models out there, again Chicago stands out from
8 being relatively strong on state and -- strong on
9 state and very strong on dedicated taxes but weak
10 on others.

11 If you look at New York and
12 San Francisco, and a couple of others that have
13 tolling money, they stand out for that.

14 The main thing is there's no real model.
15 Our case studies go into that in a little more
16 detail.

17 Chart 19 I will definitely not go
18 through.

19 CO-CHAIRPERSON SCHNEIDER: Oh, come on.

20 MS. THOLIN: Explain it to us, please.

21 DR. MUDGE: The message on this is the way
22 that the money is allocated right now on the
23 operating side, particularly, is complex. Part of
24 that is it's been built up over the years.

1 The key things to look at is the top of
2 the two blue boxes, Sales Tax I has been around
3 since 1983, Sales Tax II is more recent. Those
4 are the key drivers from the operating funds.

5 The yellowish/green boxes are PTF, that's
6 the state match 30 percent, they added 30 percent
7 match on top of the sales taxes.

8 So those are the key sources of funds,
9 and then you can talk a lot about exactly how it's
10 allocated and why does it go to certain places.
11 Those are partly political decisions about how
12 they should be allocated among the jurisdictions,
13 but it does show it's a complicated system for
14 those who understand it, and it works. I don't
15 want to go into -- the point of this is that's the
16 way it's allocated right now. The report we did
17 for RTA goes into this a little bit more.

18 CO-CHAIRPERSON SCHNEIDER: This doesn't show
19 the funding necessarily for the RTA either?

20 DR. MUDGE: Oh, yes, it does. If you look in
21 there --

22 MS. BROWN: Fifteen percent.

23 CO-CHAIRPERSON SCHNEIDER: I was looking at
24 the totals on the bottom.

1 DR. MUDGE: No. RTA, again if you look in the
2 boxes of sales tax on the left, RTA gets 15
3 percent of that sales tax, they then get part of
4 the match. That money is used for RTA costs, it's
5 used to pay for bonds, it's used to pay for -- you
6 know, it's used to pay for the debt service, a
7 number of specialty programs, and then the balance
8 is -- it's called the discretionary amount of
9 money. Historically, that's gone 97 to 98 percent
10 to CTA. So that money, all that 15 percent did
11 not go to RTA. There are certain things that it's
12 used for them and then the balance, which is a
13 large amount of money, that arrow at the bottom is
14 actually not correct, it really should show it
15 goes almost all to the CTA. The report for RTA
16 talks about different ways of doing that. I will
17 talk about that in the second hour.

18 In talking about finance, one thing we
19 can probably do in this is not to think about it
20 in the narrow sense of let's raise taxes, but you
21 want to think about how do we manage the system
22 better, because if you can do things that result
23 in a more cost-effective system, keep your
24 financial gap lower. So a fair amount of material

1 in the memo that talks about ideas that have been
2 used by private firms, that have been used
3 elsewhere in the world, and some of which are
4 being used in this region as well, there are ways
5 to talk more efficiently because that saves money.

6 If you look at private transit operations
7 around the world, there are quite a few of them,
8 there's some in the U.S. where transit properties
9 have contracted out the operation of their
10 systems, and the rules of thumb that come out of
11 that is that you want to have a standard equipment
12 type, we call it the Southwest Airlines model, all
13 their planes are 737s, so they only have one type
14 of plane, it makes it easier to train and manage,
15 and over time, you know, transit authorities can
16 do more of that.

17 Employee availability is a tricky issue.
18 That's a key measure, and some places around the
19 world can do better in the region. That gets into
20 lots of issues about work rules, about standard
21 ways of doing things. But if you can get employee
22 availability to actually operate equipment from,
23 say, 70 to 75 percent, get it to 80 or 85 percent,
24 it's a huge, huge change, and that's easy for me

1 to say because I am not the one who has to go do
2 it, but there are places around the world that
3 certainly do that.

4 CO-CHAIRPERSON SCHNEIDER: Can I ask a
5 question to that point real quickly?

6 I know there was a section in the
7 memorandum that talked about new technologies and
8 emerging technologies. One of the things in there
9 was like vehicles and that type of technology.
10 Would that go to this point on improved employee
11 availability?

12 DR. MUDGE: Not really. I mean it's a
13 different issue. This comes down to different
14 work rules, different ways of doing things,
15 different ways of compensation as well. So even
16 if you had no driver of the vehicles, this is
17 still an issue. The places that have very high --
18 that have higher employee availability is not
19 driving less vehicles.

20 MS. BROWN: Also on this section, and you talk
21 about it in your report, you expanded on these
22 things when you are talking about this a little
23 bit before, in terms of informing this panel's
24 recommendation, I think what would be really

1 helpful, the next step for it, if there is a next
2 step, or there can be a next step, would be to put
3 it in the context of Illinois. For example, to
4 say use standard equipment types. Well, there
5 would be a cost associated to standardizing
6 equipment across the region that may not be
7 realistic and putting that in the context of,
8 well, we could invest in developing a system that
9 has standard equipment because right now we don't,
10 Metra trains and CTA trains use different power,
11 but this is what that would cost the system to do.

12 Likewise, you mentioned pool purchases,
13 which you hear a lot, that it would be a lot more
14 efficient if we pooled purchases, but because Pace
15 buses and CTA buses use different power, to the
16 extent that they can work together, they already
17 do, but they can't really buy their fuel together
18 because it's different types of fuel and what
19 would it cost.

20 So I thought a good next step would be
21 let's put this in context to what really is
22 applicable in the current environment and what
23 that cost -- the cost associated with it,
24 likewise, and the efficiency of use of employees.

1 Well, there's all these different bargaining units
2 across the system and things like that.

3 DR. MUDGE: Yes. Let me say you are
4 completely right. Obviously when we think about
5 equipment types, that's a 20-or-30-year process.
6 It would be stupid to say we are going to junk
7 good buses, you know, but overtime you can move to
8 that, and the same thing with employee
9 availability, it comes down to work rules and
10 union agreements and standard practices. It's not
11 something that's going to happen overnight. It
12 depends how much of a focus should be on it.

13 CO-CHAIRPERSON SCHNEIDER: That is a strategic
14 decision and that would flow from some of the
15 things that you talked about earlier with a more
16 regional focus?

17 DR. MUDGE: That would certainly help. But I
18 think the point is to say some of these things
19 would have, you know, over time major impacts on
20 finance. But again, it takes time, especially
21 with the different equipment types, you know, you
22 don't want to get rid of a bus just because it's
23 not comparable to the other ones, you want to hold
24 on to it. So it's a 20-or-30-year cycle to get

1 there, but there are -- part of this is to say
2 that there are opportunities out there, it's not
3 all saying when we are short of money, I think to
4 go on and say there's a need for additional funds,
5 you want to be able to say there's a plan when you
6 get the maximum efficiency out of it, that there's
7 not going to be -- there are certainly costs in
8 doing this, a lot of the cost is time.

9 DR. SEN: Is the Chicago agencies doing
10 something? My impression is that the service
11 folks are trying to do the best they can. I would
12 also like to know how is the test working, for
13 example, employee availability, if we are doing
14 well or badly or whatever?

15 DR. MUDGE: In the region it's not doing well,
16 it's not doing badly. There are other places that
17 are doing better. There are other places that are
18 doing worse.

19 DR. SEN: I thought the numbers for
20 availability were over 90 percent.

21 DR. MUDGE: I have seen it much lower than
22 that. Ninety percent, we wouldn't have -- now,
23 some of this stuff you can ask the management,
24 that's something where CTA is active on that, and

1 I know RTA has been active as well, more can be
2 done with that.

3 In terms of the next chart on 21, you
4 know, it mentions pooled purchases. Certainly
5 some of that is going on and it may not always be
6 pooled purchases within the region, it may be
7 pooled purchases with other agencies that have
8 similar type of feelings and so forth. And
9 there -- again, there are legal issues with some
10 of these things. Certainly more could be done and
11 it doesn't have to be just in the region.

12 If you look on Page 22, it gets into
13 something quite different. Historically, people
14 have talked about there being two major modes of
15 travel in urban areas, car and transit. If you
16 look at the last five or 10 years, and probably
17 more going forward, there's a whole bunch of
18 different models out there. There are people now
19 having shared access, that own their own cars,
20 Zipcars and other shared cars out there. This has
21 happened with bicycles as well. There seems to be
22 a real strong growth for that. There are now
23 private firms that are -- they call them transport
24 network firms. There are several of them where if

1 you want to have your -- no matter where you are,
2 you call them up and they will come and get you
3 and bring you. It's not cheap, but it also means
4 you don't have to own a car.

5 Yesterday, I met two people, one of them
6 who lives in the suburbs that says she no longer
7 owns a car, when she wants to go someplace, she
8 will call up a car service and it's cheaper, and
9 it's better service. So there's more of that
10 stuff happening.

11 There are more private shuttle buses out
12 there. I mentioned vehicles without a driver,
13 that sort of stuff is starting to happen. This is
14 a whole new way of moving people within urban
15 areas and it's very hard to get -- there's no real
16 hard numbers on it, it's more of a shared driving.
17 It's something that looks like it's going to grow.
18 So looking in the future, you are going to have,
19 you know, private cars, transit, you are going to
20 have these new -- some of the more urban mobility.

21 A key issue is how can transit operators
22 take advantage of that? How can they see that as
23 a plus? It's very different institutionally.
24 It's very different financially. I am not aware

1 of any other region that's starting to think about
2 that, but that's an opportunity, and it's an
3 opportunity to try to leverage resources. Again,
4 this is stuff that's probably going to happen
5 anyway.

6 I look back to finance, because if you
7 leverage the distance resource, take advantage of
8 this, and maybe some of this handles some of the
9 paratransit, there are different things that can
10 happen.

11 We have a few sections that talk a little
12 bit about new technology, and I won't go into all
13 the detail on them, but there are things out there
14 like 3-D printing, and a lot of people are using
15 ways (inaudible) so that you don't have to have a
16 large inventory. I honestly don't know whether
17 the service boards are already doing that or not,
18 but there are ideas like that that are out there
19 that could be important, that are money savers.

20 You can always raise fares. I think
21 that's an issue when that happens you lose
22 traffic, and you certainly look at Pace and Metra
23 had that effect. If you are going to have a fare
24 increase, you probably want to think about what

1 can we tell the travelers. If you are a private
2 firm, you are going to increase the price of your
3 TVs or the price of your services, you better be
4 able to tell your customers.

5 In the report we have a list of different
6 ways to raise taxes, and never having looked at
7 this, again I wish we had cut some of this back,
8 it's got a lot of examples and I am not sure how
9 useful they are, just to say there are a lot of
10 ways to raise taxes. Some things that probably
11 may not happen.

12 And within the sales tax, I know RTA runs
13 the cases against people who try to shift sales
14 taxes out of the region. At some point I would
15 not be surprised if the changes in the Internet
16 that allows you to add sales taxes on the
17 Internet. So there may be increase of revenues
18 that would come from the system as well.

19 Twenty-four starts to talk a little bit
20 about some of the governance issues. Again, this
21 is another --

22 MR. RAYMUNDO: Before you get to governance, I
23 have a question.

24 You know, in looking at the whole report,

1 you start off by discussing how the system lost
2 ridership from 1980 to 1996, and somewhere we
3 began to increase ridership. In general, previous
4 presentations, a lot of the focus in terms of
5 trying to recover ridership has been from existing
6 ridership. Now you are talking about we are
7 competing with other modes of transportation as
8 well.

9 I am trying to understand, as we think
10 about, you know, one of the key factors is
11 increasing ridership overall, now we are competing
12 with other -- it seems that we are going to be
13 competing with other modes of transportation, and
14 yet we are not necessarily focusing on getting new
15 riders. And if we do that, we have sort of a
16 system that in 1980 was carrying more passengers
17 than, at least it appears to be, than we are now.

18 I am trying to understand how can we get
19 back to that level and capture the revenues to
20 offset some of these losses, if you will, to be
21 able to provide better service, to be able to
22 compete better with other modes of transportation.

23 I am trying to get at, there's seems to
24 be lost opportunity or opportunity lost from

1 ridership that has disappeared, even though the
2 system could carry that without necessarily adding
3 more miles. We have at least equipment for it to
4 get back to that peak. How do we balance those
5 things in terms of trying to get more ridership as
6 well?

7 DR. MUDGE: You have to think about the
8 customers. Why are these people switched? Some
9 of that is changes, people losing work, and growth
10 of the suburbs. Some of that is people deciding
11 they have greater flexibility in their car about
12 when they travel, when they don't go to work and
13 when they travel. Some of that is -- the word
14 "trip" is actually climbing charitable role of
15 travel. So a lot of this is off peak. And
16 there's a place where transit historically is
17 focused more on peak travel.

18 So how do you change a system that you
19 are operating to try in getting off peak services?
20 Some of it is also getting at the focus on the
21 rail midline system, a lot of it is how do you get
22 people to pull back to the so-called last
23 mile/first mile.

24 CO-CHAIRPERSON SCHNEIDER: Isn't that some of

1 what that new technology is getting at when we
2 talk about the Zipcar, the iCars, and the bike
3 shares? You know, that's more about making those
4 connections and making transit more accessible to
5 people.

6 DR. MUDGE: Yes, getting to shuttle bus
7 services, which could be private. People have
8 changed a bit of where they live and work. One
9 map I had in there, the circle around the two
10 areas that are very large has nothing to do with
11 transit as long as you're near highways. So in
12 order to get -- so that's where a lot of those
13 trips have gone. In order get that back, you need
14 to think about what can we do to make it more
15 accessible, make it easier for people to go from
16 those areas to the transit system. And that again
17 is the last mile issue. You have more shuttle
18 buses to do it. You have to think about it in a
19 different way because the market has changed and
20 it's not going back to 1980.

21 You know, let's assume the economy
22 operates the way it did in 1980, because it
23 doesn't. There always is competition, and some of
24 that system could add more peak.

1 Page 24 is in the chart. I am not going
2 to spend a lot of time on it. This shows how
3 people are using the current system, who is
4 reporting to them, what agencies, and there's just
5 a lot of people involved. There's a fair amount
6 of work -- fair amount of surveys that the
7 Illinois DOT folks did that are useful both in
8 describing how the system operates, describing how
9 it's done in other places, what people -- their
10 skills and background have to be, and there's a
11 fair amount to be learned from that as well in
12 terms of type of people who should be nominated
13 and what the process should be, but it's
14 reasonably complex right now.

15 I will go through some of this stuff a
16 little faster now.

17 In the report we've got a summary that
18 talks about each of the major agencies and what
19 their roles are. RTA has a fair amount of this in
20 terms of what it does. On paper, it has a lot of
21 authority in terms of overseeing financial plans,
22 developing strategic plans, oversight.

23 But there are a number of things that it
24 can't do. Right now it's required to have a super

1 majority to approve budgets, and that means it's
2 possible for groups to deal with. So it limits.
3 RTA I think has not been able to do a lot of the
4 things that it was mandated because they don't
5 have the rules and regulations.

6 The next chart on 26 talks a little bit
7 about the four different cities, what the
8 governance structure is, what the financial
9 structure is. Again, each one is different.

10 In Boston, they went through a major
11 construction where the transit authority is
12 actually within the DOT, which is a different
13 source.

14 The MTA in New York, everybody thinks
15 about that as being completely consolidation of
16 everything, but it's not. For those of you who
17 are interested in politics and saw the recent boat
18 study traffic on the GW Bridge, that was not done
19 by the MTA. That is part of the Port Authority in
20 New York. If you look at New York, that's a
21 classic example of being a consolidating system,
22 and it is, but there's an awful lot of stuff
23 that's not part of New York. Transit is not.
24 Port Authority in New York is not. Counties have

1 their own bus systems. So it may be -- it's
2 certainly not everything.

3 Look at Los Angeles as well, it's got --
4 our study focused on what is in the county.
5 There's an awful lot that's not within it.

6 It's easy to talk about here's a
7 consolidated model, but each one is different,
8 each one has a different story, and each one has a
9 different story when it comes to finances as well.
10 So they are driven by crises and driven by
11 historical examples that take place.

12 Twenty-seven and 28, the last two charts,
13 talk about ethics. I have not much to add on
14 that. Again, the Illinois DOT folks put out some
15 nice surveys both within the region and outside of
16 the region. I know they have a lot of detail
17 about how the ethics issues are handled. I think
18 they're quite excellent and our ethics section is
19 just trying to summarize that, the last two
20 charts.

21 Let me mention in closing what I should
22 have said in the beginning as well, the cover has
23 Delcan's name on it, but there's a lot of input
24 from the Illinois DOT folks on this, both in terms

1 of writing and in terms of correcting some, but
2 not all, of our mistakes. So this could not have
3 been done without them. This is a joint effort
4 and I thought we should have had Illinois DOT on
5 here as well, but I was told that was not
6 appropriate. They certainly deserve a lot of
7 credit for making this better.

8 CO-CHAIRPERSON SCHNEIDER: It's been extremely
9 helpful, and just for the benefit of the Task
10 Force members, we do have Dr. Mudge and Delcan
11 continuing under contract until we issue a final
12 report. So we do have an opportunity for
13 additional conversations with Dr. Mudge, and also
14 to do some of this follow-up work, I think that
15 we've got enough today, it might be helpful to
16 gather from the Task Force members what items they
17 would like to see more detail on and we could ask
18 for them to dive deeper into some of that matter.

19 Quickly, before we open it up for
20 questions or any further discussion on this, I do
21 want to, I'd be remiss if I didn't recognize -- as
22 I mentioned earlier, we also got a paper that was
23 a well thought-out paper as it relates to
24 Northeastern Illinois Transit from Senator Daniel

1 Biss, and he has joined us here today, and I just
2 wanted to make sure that we recognize him for his
3 efforts. The report is titled Transportation
4 Policy, or 21st Century Global Hub. It's a short
5 paper and it's well done and well thought out.
6 It's included in on our website as background
7 material. So I strongly recommend that the Task
8 Force members and the people in the public that
9 are interested to go ahead and take a look at
10 that, too, because I think it provides a very good
11 perspective and he makes some recommendations in
12 that report as well. So just make sure that you
13 go there and take a look at that, too, as
14 background.

15 I think with that, it is almost 3:30 and
16 we are scheduled to go until 4:00, so I think we
17 can open it up briefly for some questions or
18 follow-up conversation I think for the Task Force
19 members before we move into the next item on the
20 agenda.

21 And then, Kathy, I am going to put you on
22 the spot, I meant to do that earlier, about the
23 upcoming meeting.

24 So I think right now we can open it up

1 for questions to Dr. Mudge or comments from the
2 Task Force.

3 DR. JENKINS: I would like to make a comment
4 based on a couple of comments that Task Force
5 group members made related to the summary report,
6 which I think is very helpful, but the downside
7 always of having hard paper copies is that the
8 actual linking to the data that informs the
9 summary, and I don't know, you know, the technical
10 expertise that we have, but as we move forward and
11 to help people to do a better job of
12 understanding, well, why was this statement made,
13 why was this bullet made, if we could resort to
14 maybe using more electronic submissions and that
15 way you can link and reference to the data much
16 more easily. It is quite cumbersome to try to go
17 back and forth in two or three different documents
18 to find the information. And if the information
19 is there, where is it and maybe referencing it
20 would be helpful.

21 DR. MUDGE: It should be printing off, you
22 know, the page number. I am not sure that we
23 could get it online. I will make sure there are
24 online links to all the sources.

1 DR. JENKINS: Thank you.

2 CO-CHAIRPERSON SCHNEIDER: Point well taken.

3 Kathy.

4 MS. THOLIN: So several times as we went
5 through your material, the questions we asked, you
6 elaborated on kind of the meaning of some of these
7 metrics. It seems to me as we've been through it
8 that a lot of these really useful, you know,
9 graphs and charts don't make full sense all by
10 themselves, right. They make sense in the context
11 of what's going on in a region. But in
12 particular, they make sense in terms of what is
13 the goal of transit in that region. What are the
14 goals in the region that transit is supposed to
15 help serve.

16 So as an informational question, first,
17 is it possible to understand, and how much can you
18 help us understand, to what extent each of these
19 competitive regions has a set of goals that they
20 are trying to achieve with transit, and I
21 recognize that this is -- you know, this is a
22 challenge across for everyone, right, but I think
23 one of the things that we've come to understand is
24 that if we are going to be successful in being

1 world-class we need to figure out what those goals
2 are, hold ourselves to them, and design our
3 transit around meeting those goals.

4 So can you -- I guess one of my follow-up
5 question is what do we already know about other
6 regions and how they set those goals and hold
7 themselves to them and their performance?

8 DR. MUDGE: I think those are two separate
9 questions. The question is do they have a system
10 that actually tracks it through them. We put a
11 mini case study in there for the Bay Area, in part
12 because we thought that they were the ones who did
13 the best. We have to actually allocate money
14 based on action I think based on those goals. So
15 the action has a system in place that starts to do
16 some of that. It's not hard to come up with goals
17 that sound wonderful, but to put them into
18 practice, MTA does some of that and we can pull
19 together some material on that. But I mean we can
20 certainly summarize what the other regions say
21 their goals are but the issue is do you have money
22 to allocate across that.

23 Some of the work that we did for RTA
24 listed a couple of different suggestions of ways

1 they could be done.

2 CO-CHAIRPERSON SCHNEIDER: Do they have action
3 plans? Do some of those areas also have action
4 plans related to those goals?

5 DR. MUDGE: Yes.

6 CO-CHAIRPERSON SCHNEIDER: I think that would
7 also be helpful to understand what that looks
8 like.

9 DR. MUDGE: The region has plans, they have
10 action plans linked to that, and right now that is
11 not done at a regional level. Each of the service
12 boards has their own.

13 CO-CHAIRPERSON SCHNEIDER: I was thinking more
14 so for the case study areas.

15 DR. MUDGE: We can pull that out and describe
16 some of that.

17 CO-CHAIRPERSON SCHNEIDER: Yes.

18 CO-CHAIRPERSON RANNEY: I wanted to ask you
19 another question on finances. Based on experience
20 elsewhere, what can you tell us about the impact
21 of raising fares? Obviously it's been done in
22 various different ways with benefits and
23 disadvantages on different policies here we're
24 going to use. What can you say drawing back on

1 that experience?

2 DR. MUDGE: Well, the simplest thing is
3 whenever you raise fares, that's true of any
4 commodity, you charge more and you have fewer
5 people buying it, and it's certainly true in the
6 case of Metra increases, you know, you lose
7 customers.

8 So I think a lot can be said about how it
9 should be done. A lot of it simply places to
10 raise the rates across the board. If you are
11 going to do it, you probably want to go back and
12 make a justification and say we are raising fares
13 but we are going to improve service, here's what's
14 going to be done, frequency will go up, vehicles
15 will be cleaned better, you can offset some of the
16 loss that you are going to have from that, but you
17 are going to say part of the money is going to go
18 through a group service. So there needs to be a
19 link through that. You are certainly going to
20 lose some passengers.

21 Some places, I don't know, it's hard to
22 be political, some places have fares that are not
23 flat. I lived in New York City off and on for a
24 time, and it's one zone. Politically it's not

1 going to get changed. There are some places like
2 Washington Metro, they have fares that vary by
3 distance and by time of day. If you really have
4 capacity problems, you obviously should have it
5 vary by time of day.

6 CO-CHAIRPERSON SCHNEIDER: It's also very
7 confusing. I've traveled there.

8 DR. MUDGE: Yes, it is confusing. It's
9 definitely not designed for tourists.

10 CO-CHAIRPERSON SCHNEIDER: Do we have other
11 questions from any of the Task Force members?

12 MR. GUY: Yeah, real quick. Going back to
13 Page 6, Doctor, when we talk about commuter rail
14 ridership over the years, I would be curious, I
15 don't remember if you touched on this at all when
16 we discussed Page 6, but you see Boston up there,
17 New Jersey Transit. Do you have possibly the
18 information of frequencies led to some of those
19 increases in riderships alone? What was the
20 driving factor, I guess would be most important?

21 DR. MUDGE: It varies. A lot of it is
22 increasing frequency. I know Boston, they did add
23 some new commuter lines. We can get the data and
24 show exactly when those happened because I think

1 that will be helpful.

2 MR. GUY: And knowing if frequency alone with
3 the ridership to follow is really what I would be
4 interested in.

5 DR. MUDGE: Yes, we tried to collect some of
6 that, because I agree it's important, why did they
7 go up. Some of it is, you know -- yes, yes. You
8 know, you want to find out which ones worked and
9 which ones didn't.

10 MR. GUY: Yes.

11 DR. MUDGE: There's another chart here, a
12 couple of other cities actually lost shares that
13 actually increased transit service. Dallas, they
14 didn't have a big increase. So just because it's
15 built brand new, it doesn't mean that people are
16 going to use it, that's how it's done. If you
17 look at Boston, they obviously did something
18 right.

19 MR. GUY: Well, it's a different animal, but
20 here in Illinois, about six year ago inner city
21 passenger rail doubled and ridership just went
22 through the roof.

23 So I'm curious, as frequency goes, does
24 ridership fall and thus keep those costs at level

1 at best instead of skyrocketing? Does that make
2 any sense?

3 DR. MUDGE: Again cost, the region is very
4 strong, but as you increase frequency, your cost
5 is probably going to go up. Now, you are going to
6 get more traffic and that's a question of deciding
7 how do you make those trade-offs.

8 MR. GUY: Sure.

9 CO-CHAIRPERSON SCHNEIDER: I do want to --

10 MS. BROWN: Can I?

11 CO-CHAIRPERSON SCHNEIDER: Sure, Carole.

12 MS. BROWN: I was just, to add to your list,
13 one of -- in your technical memo, I think it's on
14 Page 36, you have a similar chart in this summary,
15 you talk about the transit operating subsidies. I
16 think what would be helpful, also, would be to
17 kind of compare what the actual recovery ratios
18 are, and if any of those recovery ratios are like
19 this system statutorily set because as you make
20 the evaluation of kind of service and fares,
21 that's always done in this region in the context
22 of meeting the statutory required recovery ratios.
23 So that would be helpful information.

24 DR. MUDGE: Yes, we have data on, it may be

1 hard to believe looking at this, but there are
2 some charts that we did not include. But, no, we
3 can add that in there and point out where it's
4 mandated. Because you are right, that's something
5 that certainly the region is under pressure to
6 meet those targets, and that's one reason.

7 MS. BROWN: All of it is so tied, the
8 frequency, the fare structure is all tied to the
9 statutorily required recovered ratio and so all of
10 that forms kind of how service is provided and
11 what cost and what frequency.

12 DR. MUDGE: What may be helpful, I have sort
13 of a diagram that says, here, push on this, here's
14 what comes out.

15 MS. BROWN: Exactly.

16 DR. MUDGE: Because it's not -- if you look at
17 one thing alone, you get a distorted view.

18 MS. BROWN: Thank you.

19 DR. SEN: The system, I don't think we can
20 keep the same recovery ratio.

21 MS. BROWN: You can't. That's what triggered
22 it for me like is do you increase the frequency in
23 ridership. You can't under this current system
24 because you wouldn't meet your recovery ratio, and

1 it's a statutory requirement.

2 MR. GUY: True.

3 DR. SEN: Change the definition as we have
4 over the years.

5 MS. BROWN: Exactly. So is that something
6 that requires statutory change in order to
7 achieve?

8 CO-CHAIRPERSON SCHNEIDER: So as a reminder,
9 we are going to meet again in a couple of weeks,
10 Monday, January 27th, at one o'clock. At that
11 meeting we expect the focus to be on system
12 performance, and Kathy Tholin is the chair of that
13 subgroup. And so because she's been working
14 heavily in this area, I would like to get her
15 perspective and some thoughts about what that
16 meeting might look like.

17 MS. THOLIN: Okay. Yes, let me say a couple
18 of things about what we've talked about and what I
19 was asked to do for the next meeting.

20 There's two different aspects of this,
21 and our system performance meeting next week is to
22 try to synthesize some of the information that
23 we've -- the information that we've had thus far,
24 and distill some of the key areas where we want to

1 develop our recommendations for the final report,
2 or come back to the full group.

3 One of the focuses that I was asked to
4 look at for the next Task Force meeting, I think
5 Dick alluded to it at the beginning of his talk,
6 which is that there's performance from the point
7 of view of, you know, efficiency and service,
8 which we have a lot -- we've gathered a lot of
9 information on, and then there's the additional
10 question of how well is transit helping to serve
11 the region overall, which is more difficult, less
12 traditionally tracked and utilized by transit
13 agencies but keyed as transit's role in the region
14 economically, job access, things like
15 affordability, mobility issues, economic
16 development, opportunities, those all come in to
17 that aspect. So I think some of the questions we
18 asked today will get us, perhaps, some additional
19 information from Delcan on this, but we are going
20 to be bringing in some additional information and
21 metrics, and that might be helpful to the Task
22 Force in thinking about those issues.

23 And then secondarily, do a little more
24 presentation around the new mobility opportunities

1 that Dick was alluding to as well. So what are
2 the new -- what are some of the trends in
3 alternative mobility that provides some of that
4 last mile/first mile supplemental to transit that
5 allow more people to use transit instead of their
6 own car because they have other alternatives, and
7 how might that relate to the way that we think
8 about the transit opportunities going forward.

9 So we are going to try to present some
10 additional information on behalf of CNT and work
11 that we have been -- research that we've done, and
12 information that we are gathering to try to
13 provide a little more detail on both of those
14 questions next time as well, and we will be
15 reporting out from the system performance.

16 CO-CHAIRPERSON SCHNEIDER: Excellent.

17 Also mark on your calendars, we have a
18 meeting scheduled for Friday, February 28th. At
19 that meeting we anticipate a focus on ethics, but
20 please watch your in boxes, there will be
21 materials forthcoming both for the meeting later
22 this month and then the one late in February.
23 That meeting on February 28th will be at one
24 o'clock. And then we have a meeting -- our final

1 meeting on March 27th at one o'clock where we hope
2 to discuss the final report.

3 For a logistics note, all of the
4 remaining meetings will be held across the street
5 at the Bilandic Building. So please make sure you
6 note that as well.

7 I also wanted to quickly recognize the
8 fact that Patrick Fitzgerald, his colleague has
9 attended and I think is taking notes, so he will
10 hear everything we discussed today. Martin, thank
11 you for coming.

12 I think at this point if there isn't any
13 further general discussion, that the Task Force
14 would like to have --

15 MR. RAYMUNDO: I have one question.

16 Kathy or Doctor, I have not seen surveys
17 of non-transit users. What would the value --
18 we've seen customer performance data, customer
19 performance reports, if you will. I am just
20 trying to think out loud if there's any
21 information out there to try to increase
22 ridership, to try to attract non-users right now,
23 if there's any data out there that will be helpful
24 for us to think what would attract them to users

1 for the first time or come back to the ridership?

2 DR. MUDGE: There's lots of studies out there.

3 MR. RAYMUNDO: That will be helpful.

4 DR. SEN: It's a big bucket of information.

5 CO-CHAIRPERSON SCHNEIDER: So with that, I
6 think we're at the point in the agenda where we
7 would like to open the floor up for comments from
8 members of the public. We want to be efficient in
9 selecting your comments. So if you are going to
10 give oral testimony, we ask that you limit it to
11 three minutes, and we ask that you just stand in
12 place where you are sitting, state your name, and
13 if you represent a group or organization, provide
14 that name as well, and then provide us your
15 comments.

16 UNIDENTIFIED SPEAKER: I don't believe there
17 are any -- oh, did you have one?

18 MR. STATEN: My name is Spencer Staten
19 (phonetic).

20 Currently within the region, I would say
21 that the total amount for operating capital that
22 is spent is somewhere in the neighborhood of 1.5
23 to 2 billion on an annual basis covering all the
24 service boards. And again, capital is primarily

1 raised from the sales tax base, fares, state
2 dollars, federal dollars.

3 When you talk about state of repair, you
4 said that 31 billion may be overstating it, but if
5 you add in what we need to do for construction,
6 maybe it's understating it, but just say \$30
7 billion, right, over a 10-year period that would
8 be adding 1.5 billion to -- no, over a 20-year
9 period would be adding 1.5 billion each year that
10 we need to raise.

11 I am pretty sure that the management
12 techniques discussed here in Southwest Airlines
13 are more efficient work are not going to get us
14 anywhere near the one and-a-half billion we need
15 to be able to move the transit you talk about
16 being a world-class system.

17 So that comes back to again the ugly
18 chart, right, the one with sales taxes and how
19 it's divided and how it's done, how the sales
20 taxes are moved around.

21 This I think is going to be the key in
22 understanding this and how we will move forward.
23 There's no way to do this without, in fact,
24 raising more revenue from the public, raising

1 taxes. Probably both.

2 So it comes back to again sort of the
3 history of this sales tax chart and what are the
4 political actors and the political forces that
5 make up the different factions and voices and
6 battles that will have to be done in order to
7 fundamentally change the way we are going to raise
8 revenue and increase revenue for public transit in
9 the region. That's the issue which I think
10 absolutely we need to focus on because that's
11 where you are actually going to drive the biggest
12 change from this whole process.

13 That's all.

14 CO-CHAIRPERSON SCHNEIDER: Thank you. Very
15 helpful.

16 CO-CHAIRPERSON RANNEY: Senator Biss, do you
17 want to add anything? You've studied this and
18 written about it.

19 SENATOR BISS: Sure. Let me structure my
20 comments as follows. Thank you for the
21 opportunity. I'm thrilled to work with all of you
22 and other stakeholders on this issue, which I have
23 an extremely strong personal interest in.

24 You made reference to the paper that my

1 office put out, you know, there's no -- I mean
2 there's no great massive insight in there. It
3 depicts I think what everyone would agree with is
4 that if one had the benefit of time travel, one
5 wouldn't probably have built the transit
6 governance model that we've kind of evolved into
7 during the course of the last century.

8 And I actually really appreciate your
9 point, Dr. Mudge, which was properly interpreted
10 not as a joke, though it was funny, which is that
11 the recent news out of New Jersey is evidence in
12 support of the MTA model, not in opposition to the
13 MTA model.

14 So what we propose in this document is
15 something very simple and naive, which is simply
16 to put the four service boards as a single entity.
17 I don't have any illusions about the procedural
18 simplicity of such a task but I think the
19 fundamental goal is really critical, which is to
20 your point.

21 The case for more revenue is built by a
22 series of adjustments to structure that enhance
23 the returns to revenue. I think very early in
24 your presentation, Dr. Mudge, you talked about the

1 importance of strategic structures and planning
2 and visions around transportation, which is one
3 that has incredible impact on value, and I think
4 this comes fundamentally in the planning around
5 transportation on one hand and equally important
6 planning around revenues on the other hand.

7 Planning around transportation is done by
8 this Byzantine governance, Board members,
9 entities, and therefore no accountability
10 (inaudible), where Dr. Sen made reference to the
11 CTA. The decisions are made far more Byzantine
12 because it enforces many, many, many, many
13 hundreds of entities, and what I view as my
14 project as a state legislature, which I again
15 welcome any opportunity to partner with anybody in
16 this room, is to change the governance, change the
17 state's relationship to these entities in such a
18 way as to consolidate and unify planning visions
19 both on the transit side and on the governance
20 side.

21 So when I look at you, Director, I see
22 somebody with a lot of resources, and resources
23 that I think are best used as a tool to encourage
24 cooperation in the policy and cooperation in

1 transit planning, and I think that requires
2 changes to the actual governance structure of
3 these boards. I think it requires changes to the
4 mechanism by which state funds are disbursed to
5 municipalities, particularly in cooperation with
6 planning projects, transportation projects,
7 whether they are transit or road, and simply in
8 the policy I think there's an awful lot of
9 untapped power there.

10 As you can tell by this rambling coming
11 at you, I don't have a simple way to articulate it
12 to put in a bill and make it be, but there's
13 untapped power to do real good from the point of
14 creating a world-class transit world that we need
15 to find a way to leverage.

16 I think that graph in your presentation
17 with the hobos and tragedy where development is
18 taking place over the course of 30 years away from
19 the the transit shed is important not primarily
20 because we should think about how to get transit
21 there, it's important because we should try to
22 understand how we screwed up, how we should build
23 our land use policies and transit policies going
24 forward and not make that mistake again, and that

1 fundamental goal is what brings me here today.

2 I think that was more than three minutes.

3 CO-CHAIRPERSON SCHNEIDER: No, no, you're
4 fine. That was very helpful. Thank you.

5 Again, I would just like to remind the
6 Task Force members that we do have Dr. Mudge at
7 our service until the end of March, and I know
8 that there was a lot of follow-up, if you could --
9 we try to capture everything and we will circulate
10 something to say what we've captured in terms of
11 follow-up to Dr. Mudge, and if you could let us
12 know if that's sufficient or if there's more areas
13 that you would like to have him look at, we would
14 certainly like to do so.

15 Dr. Mudge, thank you very much for making
16 the time for expending the effort in a very short
17 period of time to prepare the technical memo,
18 because we didn't give you very long to do it, and
19 we appreciate the work that you did.

20 We also want to make sure that we thank
21 you, Senator Biss, for all of your work in this
22 arena.

23 Also to the Task Force members, again
24 thank you for coming out on a very cold and

1 wintery January day. You are in Illinois, welcome
2 to it.

3 We want to also mention that we
4 appreciate the public and your efforts for
5 attending, and any input that you have, please,
6 please, please get on our website, please fill out
7 a comment card. It's really important for us to
8 get that public involvement in this process
9 because, you know, we've all studied this very
10 closely but we definitely want to make sure we are
11 reflecting what you would like to see happen for
12 Northeastern Illinois Transit.

13 With that, safe travels on your journey
14 home and we will see you in a couple of weeks.
15 Thank you.

16 We are adjourned.

17 (The hearing concluded at 3:56 p.m.)

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1 I, PAMELA S. MORGAN, Certified Shorthand
2 Reporter in the State of Illinois, do hereby
3 certify that the above hearing was recorded
4 stenographically by me and was reduced to
5 typewritten form by means of Computer-Aided
6 Transcription.

7 I further certify that the foregoing
8 transcript is a true, correct and complete record
9 of the testimony given and of all proceedings had
10 before me.

11 I further certify that I am not a
12 relative, employee, attorney or counsel of any of
13 the parties, nor financially interested directly
14 or indirectly in this action.

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18 PAMELA S. MORGAN, C.S.R. 084-001687

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